## UNITED STATES DEPARTMENT OF JUSTICE WASHINGTON, D.C. 20530

## SUPPLEMENTAL STATEMENT

Pursuant to Section 2 of the Foreign Agents Registration Act of 1938, as Amended NEW 15 IT US AN '17 REGISTEATEN DENISION

For Six Month Period Ending CORPORACION DE FOMENTO Name of Registrant Registration No. 401 DE LA PRODUCCION Business Address of Registrant One World Trade Center - Suite 5151 New York, New York 10048 I - REGISTRANT 1. Has there been a change in the information previously furnished in connection with the following: (a) If an individual: (1) Residence address No (2) Citizenship (3) Occupation (b) If an organization: (1) Name Yes X (2) Ownership or control Yes No (3) Branch offices Yes 2. Explain fully all changes, if any, indicated in Item 1. IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5. 3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes 🗌 No X If yes, furnish the following information:

Position

Name

Date Connection Ended

|                                      | he following information:   |  |  |
|--------------------------------------|---|--|--|
| Name                                 | Residence<br>Address  | Citizenship  | Position Da<br>Assu                                    |
|                                      | named in Item 4 rendered service  | es directly in furtherance o                                   | f the interests of any fore                            |
| •                                    | each such person and describe h   | is services.   |  |
|                                      |   |  |  |
| terminated their                     | yees or individuals other than of employment or connection with the No X                                | ficials, who have filed a sh<br>the registrant during this 6 m | ort form registration statem<br>onth reporting period? |
| If yes, furnish t                    | the following information:  |  |  |
| Name                                 | Position or   | connection   | Date termin  |
|                                      |   |  |  |
|                                      |   |  |  |
|                                      |   |  |  |
|                                      |   |  |  |
|                                      |   |  |  |
| the registrant w<br>principal in oth | onth reporting period, have any period, have any period to the register than a clerical or secretarial, | strant directly in furtherance                                 | of the interests of any fore                           |
| If yes, furnish                      | the following information:  |  |  |
| Name                                 | Residence<br>Address  | Position or connection   | Date connec<br>began                                   |
|                                      |   |  |  |
|                                      |   |  |  |
|                                      |   |  |  |
|                                      |   |  |  |
|                                      |   |  |  |
|                                      |   |  |  |
|                                      |   |  |  |

## II - FOREIGN PRINCIPAL

| 8.  | Has your connection with any foreign principal ended during this 6 month reporting p Yes No X   | eriod?   |
|-----|---|--|
|     | If yes, furnish the following information:  |  |
|     | Name of foreign principal   | Date of Termination                                |
|     |   |  |
| 9.  | Have you acquired any new foreign principal during this 6 month reporting period?   | Yes No X   |
|     | If yes, furnish following information:  |  |
|     | Name and address of foreign principal   | Date acquired                                      |
|     |   |  |
|     | represent during the 6 month reporting period.  CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE  |  |
|     | III - ACTIVITIES  | <u></u>  |
| 11. | During this 6 month reporting period, have you engaged in any activities for or rend any foreign principal named in Items 8, 9, and 10 of this statement? Yes X   | ered any services to<br>No [                       |
|     | If yes, identify each such foreign principal and describe in full detail your activities  | and services:                                      |
|     | CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE  |  |
|     | We handled a) the procurement of capital goods and its shipmed under Chilean government sponsorship and interest, which C & period was of approximately \$ 10,651,689.74 representing 3,95 b) The servicing of loans under foreign credit arrangements of interest, which during this period was of approximately \$ 43 | F value for this 52 tons shipped. of principal and |
|     |   |  |
|     |   |  |
|     |   |  |
|     |   |  |

The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

|     | During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity as defined below? |  |   |   |                                       |                          |                                  |
|-----|---|--|---|---|---------------------------------------|--------------------------|----------------------------------|
|     | Yes X   | lo 🗀 🖰   |   | e e e e e e                             |                                       |                          | ·                                |
|     | ing, among other  | each such foreign<br>r things, the relati<br>re this purpose. If<br>oadcasts, give deta                        | ons, interests and<br>the registrant a          | l policies soug<br>rranged, spons       | tht to be infl<br>ored or deliv       | uenced and rered speeche | the means em-<br>es, lectures or |
|     | monthly news<br>frequent sub  | de Fomento de<br>letter, provi<br>jects are: fi<br>ade. Also, r<br>economy.                                    | des informati<br>nance, foreig                  | on about t                              | he Chilean<br>nts, agro-              | economy.                 | The most develop-                |
|     | foreign debt<br>point of vie<br>New York Ass  | t, Mr. Sergio<br>and balance<br>w of Chile, w<br>ociation of B<br>copy of lectu                                | of payments f<br>hich is one o<br>usiness Econo | or the les                              | s-develope<br>he speech               | d countri                | es from the                      |
|     | 4   | 46 - 1   | • •   | ţ                                       | : •                                   | A. Company               |                                  |
|     | \$  |  |   |   | e e e e e e e e e e e e e e e e e e e |                          |                                  |
|     |   |  |   | • |                                       |                          |                                  |
| 13. | In addition to the<br>benefits any or a   | e above described<br>all of your foreign   | activities, if any, principals?                 | have you enga                           | ged in activity                       | on your own              | behalf which                     |
|     | Yes N   | o x  |   |   |                                       |                          |                                  |
|     | If yes, describe  | fully.   |   |   |                                       |                          |                                  |
|     |   | en de la companya de |   |   |                                       |                          | · • · · · · · · ·                |
|     |   |  |   |   |                                       |                          |                                  |
|     |   |  |   |   |                                       |                          |                                  |

The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

## IV - FINANCIAL INFORMATION

| 14. ( | a) | RECEIPTS - | MONIES |
|-------|----|------------|--------|
|-------|----|------------|--------|

such monies.<sup>3</sup>

| During this 6 month reporting period, have you received from any foreign principal named in Items 8,9      |
|--|
| and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, |
| any contributions, income or money either as compensation or otherwise?                                    |
| Yes X No   |
|  |
| If was per forth below in the required detail and separately for each foreign principal an account of      |

Date

From Whom

Purpose

Amount

See details in Exhibit No.14(a) attached

\$ 206,843.-

Total

\$ 206,843.-

## 14. (b) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value4 other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?

No X

If yes, furnish the following information:

Name of foreign principal

Date received Description of thing of value

Purpose

<sup>&</sup>lt;sup>3</sup> A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).

<sup>4</sup> Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

|        |  |  | -0-  |                            |                 |
|--------|--|--|--|----------------------------|-----------------|
| 15, (a | a) DISBURSEMENTS                             | MONIES   |  |                            |                 |
|        | (1) disbursed or ex                          | reporting period, have<br>pended monies in com<br>and 10 of this statement | nection with activity on beh                                   |                            | orincipal named |
|        | (2) transmitted mon                          | nies to any such foreig  | gn principal? Yes  | No X                       |                 |
|        | If yes, set forth bel<br>monies, including n | low in the required demonies transmitted, if                               | tail and separately for each f<br>any, to each foreign princip | oreign principal an<br>al. | account of such |
|        | Date   | To Whom  | Purpose  |                            | Amount          |
|        | See details in                               | Exhibit No.15(a  | ı) attached  |                            | \$ 717,595.32   |
|        |  |  |  |                            |                 |
|        |  |  |  |                            |                 |
|        |  |  |  |                            |                 |
|        |  |  |  |                            |                 |
|        |  |  |  |                            |                 |

Total

\$ 717,595.32

|     | During this 6  | month reporting period f or in connection with statement?  | , have you disposed o  | of anything of value<br>of any foreign princip             | 5 other than money is sal named in items 8,                           |
|-----|--|--|--|--|---|
|     | Yes 🔲  | No X   |  |  |   |
|     | If yes, furnis   | h the following informa  | tion:  |  |   |
|     | Date<br>disposed   | Name of person<br>to whom given  | On behalf of<br>what foreign<br>principal  | Description<br>of thing of<br>value                        | Purpos  |
|     |  | •  |  |  |   |
| /a\ | DICDUBCEM  | ENTS - POLITICAL CO  | NITDIBILTIONS  |  |   |
|     | directly or the  | month reporting period<br>rough any other person,<br>ith an election to any p                                | , made any contributio<br>political office, or in c  | ons of money or othe<br>connection with any                | er things of value <sup>5</sup> i<br>primary election, co             |
|     | directly or the connection wention, or connection        | rough any other person,  | , made any contribution of the contribution of | ons of money or other connection with any office? Yes      | er things of value <sup>5</sup> i                                     |
|     | directly or the connection we wention, or configuration. | rough any other person, ith an election to any paucus held to select cath the following information or thing | , made any contribution of the contribution of | ons of money or othe<br>connection with any<br>office? Yes | er things of value <sup>5</sup> in primary election, con No X.  No X. |
|     | directly or the connection we wention, or configuration. | rough any other person, ith an election to any paucus held to select cath the following information or thing | , made any contribution of the contribution of | ons of money or other connection with any office? Yes      | er things of value <sup>5</sup> in primary election, con No X.  No X. |
|     | directly or the connection we wention, or configuration. | rough any other person, ith an election to any paucus held to select cath the following information or thing | , made any contribution of the contribution of | ons of money or other connection with any office? Yes      | er things of value <sup>5</sup> in primary election, con No X.  No X. |
|     | directly or the connection we wention, or configuration. | rough any other person, ith an election to any paucus held to select cath the following information or thing | , made any contribution of the contribution of | ons of money or other connection with any office? Yes      | er things of value <sup>5</sup> in primary election, con No X.  No X. |
|     | directly or the connection we wention, or configuration. | rough any other person, ith an election to any paucus held to select cath the following information or thing | , made any contribution of the contribution of | ons of money or other connection with any office? Yes      | er things of value <sup>5</sup> in primary election, con No X.  No X. |

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes X No

if yes, respond to the remaining items in this section  $\boldsymbol{v}$ .

17. Identify each such foreign principal.

Corporacion de Fomento de la Produccion de Chile

<sup>5</sup> Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.



|             | If yes, identify each such f   | oreign principal, specify-a   | mount, and indicate for wh   | at period of time.   |
|-------------|--|---|--|--|
|             |  |   |  |  |
|             |  |   |  |  |
| 10          | During this 6 month reporting  | ne period did your activiti   | ies in preparing, dissemina  | ting or causing the disem  |
| -/•         | ination of political propaga Radio or TV broadcasts  | nda include the use of any  | of the following:  |  |
|             | Advertising campaigns  |   | X Pamphlets or other publications  | X Lectures or speeches   |
|             | Other (specify)  |   |  |  |
| 20.         | During this 6 month reporting ganda among any of the followed  |   | nate or cause to be disse  | eminated political propa-  |
|             | Public Officials   | X Newspapers  | <u>X</u>   | Libraries  |
|             | X Legislators  | X Editors   | X  | Educational institutions   |
|             | Government agencies  | X Civic groups or   | associations   | Nationality groups   |
|             | Other (Specify)  |   |  |  |
| 21.         | What language was used in  | this political propaganda:  |  |  |
|             | <b>X</b> English   | Other (specify  | <i>(</i> )   | ····   |
| 33          | Did you file with the Penic  |   |  |  |
| <b>2</b> 2. | aganda material disseminat   |   | nt of Justice, two copies of<br>linated during this 6 month  |  |
| <b>2</b> 2. |  |   |  |  |
|             | aganda material disseminat   | ed or caused to be dissem   | inated during this 6 month   | reporting period?  |
| 23.         | aganda material disseminat Yes \( \forall \) No \( \text{Did you label each item of } \)   | such political propaganda No  tration Section, Departmen  | material with the statement  | reporting period? required by Section 4(b) of  |
| 23.         | Aganda material disseminated Yes \( \forall \) No \( \text{Did you label each item of the Act?} Yes \( \overline{X} \)  Did you file with the Regis  | such political propaganda No  tration Section, Departmen  | material with the statement  | reporting period? required by Section 4(b) of  |
| 23.         | Aganda material disseminated aganda material disseminated aganda More Normal Did you label each item of the Act? Yes X Did you file with the Regist such political propaganda material disseminated against the Act?   | such political propaganda No  tration Section, Departmen  | material with the statement of Justice, a Disseminat le 401 under the Act?   | reporting period? required by Section 4(b) of  |
| 24.         | Aganda material disseminated aganda material disseminated aganda More Normal Did you label each item of the Act? Yes X Did you file with the Regist such political propaganda material disseminated against the Act?   | ed or caused to be dissem  such political propaganda  No   tration Section, Departmental as required by Ru  | material with the statement of Justice, a Disseminat le 401 under the Act?   | reporting period? required by Section 4(b) of  |
| 23.         | aganda material disseminat Yes \( \bar{X} \) No \( \bar{X} \)  Did you label each item of the Act? Yes \( \bar{X} \)  Did you file with the Regis such political propaganda m Yes \( \bar{X} \) No \( \bar{X} \)   | such political propaganda No tration Section, Departmentaterial as required by Ru   | material with the statement of Justice, a Disseminat le 401 under the Act?   | reporting period? required by Section 4(b) of tion Report for each item of               |
| 23.         | aganda material disseminated aganda material disseminated aganda Material Proposed aganda for the Act?  Did you file with the Regissuch political propaganda for Yes X No   EXHIBITS A AND B   | such political propaganda No tration Section, Departmentaterial as required by Ru  VI - EXHIBITS AND  of the newly acquired for   | material with the statement of Justice, a Disseminat le 401 under the Act?   | reporting period? required by Section 4(b) of tion Report for each item of               |
| 24.         | aganda material disseminated aganda material disseminated aganda material disseminated aganda not be accepted agan | such political propaganda No  tration Section, Departmentation as required by Ru  VI - EXHIBITS AND  of the newly acquired for  | material with the statement of Justice, a Disseminat le 401 under the Act?   | reporting period?  required by Section 4(b) of the section in Report for each item of    |
| 23.         | aganda material disseminated aganda material disseminated aganda material disseminated aganda material yes \overline{X}. No \overline{Did you file with the Regissuch political propaganda material propaganda material yes \overline{X}. No \overline{Did you file with the Regissuch political propaganda material yes \overline{X}. No \overline{Did you file and a material yes \overline{X}. No \overline{Did you file and a material yes \overline{X}. AND B.  (a) Have you filed for each Exhibit A^6 Yes   | such political propaganda No  tration Section, Departmentaterial as required by Ru  VI - EXHIBITS AND  of the newly acquired form No              | material with the statement of Justice, a Disseminat le 401 under the Act?   | reporting period? required by Section 4(b) of tion Report for each item of               |
| 23.         | aganda material disseminated aganda material disseminated aganda material disseminated aganda material you label each item of the Act? Yes X Did you file with the Regissuch political propaganda material propaganda material yes X No   EXHIBITS A AND B  (a) Have you filed for each Exhibit A <sup>6</sup> Yes Exhibit B <sup>7</sup> Yes  | such political propaganda No  tration Section, Departmentaterial as required by Ru  VI - EXHIBITS AND  of the newly acquired for No  No  required exhibit.  anges in the Exhibits A a | material with the statement of Justice, a Disseminat le 401 under the Act?  ATTACHMENTS  eign principals in Item 9 th    | reporting period? required by Section 4(b) of ion Report for each item of the following: |
| 24.         | aganda material disseminated aganda material disseminated aganda Material disseminated against the Act?  Did you label each item of the Act? Yes X  Did you file with the Regissuch political propaganda material propaganda mater | such political propaganda No  tration Section, Departmentaterial as required by Ru  VI - EXHIBITS AND  of the newly acquired for No  No  required exhibit.  anges in the Exhibits A a | material with the statement of Justice, a Disseminat le 401 under the Act?  ATTACHMENTS  eign principals in Item 9 th    | reporting period? required by Section 4(b) of ion Report for each item of the following: |
| 23.         | aganda material disseminate Yes \( \forall \) No \( \)  Did you label each item of the Act? Yes \( \omega \)  Did you file with the Regissuch political propagandant Yes \( \omega \) No \( \omega \)  EXHIBITS A AND B  (a) Have you filed for each Exhibit A <sup>6</sup> Yes Exhibit B <sup>7</sup> Yes  If no, please attach the you represented during Yes \( \omega \) No \( \omega \)   | such political propaganda No  tration Section, Departmentaterial as required by Ru  VI - EXHIBITS AND  of the newly acquired for No  No  required exhibit.  anges in the Exhibits A a | material with the statement nt of Justice, a Disseminat le 401 under the Act?  ATTACHMENTS  eign principals in Item 9 th | reporting period? required by Section 4(b) of ion Report for each item of the following: |

concerning each foreign principal.

7 The Exhibit B, which is filed on Form OBD-65 (Formerly DJ-304) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

| 26. EXHIBIT C If you have previously filed an Exhibit C <sup>8</sup> , state whether month reporting period.   | er any changes therein have occurred during this 6   |
|--|--|
| Yes No   |  |
| If yes, have you filed an amendment to the Exhibit C?  | Yes No   |
| If no, please attach the required amendment.   |  |
| 27. SHORT FORM REGISTRATION STATEMENT  |  |
| Have short form registration statements been filed by a  | ll of the persons named in Items 5 and 7 of the sup-                                       |
| plemental statement?   |  |
| Yes X No  If no, list names of persons who have not filed the requir   | ad statement   |
| it no, that hames of persons who have not then the requir  | eu statemeik.  |
|  |  |
|  |  |
|  |  |
| signed make(s) no representation as to the truth or accuracy of Registration Statement, if any, insofar as such information is   |  |
| (Both copies of this statement shall be signed and sworn<br>to before a notary public or other person authorized to admin-<br>ister ouths by the agent, if the registrant is an individual, or<br>by a majority of those partners, officers, directors or persons<br>performing similar functions who are in the United States, if | Ricardo Corssen  |
| the registrant is an organization.)  | Vice President   |
|  | CORPORACION DE FOMENTO DE LA PRODUCCION  |
|  |  |
|  |  |
|  |  |
| One World Trad   | le Center - Suite 5151   |
| Subscribed and sworn to before me at New York, New   |  |
| this 10th day of November  | GERARD B. COOPER Notary Public, State of New York No. 24-0754125 Qualified in Kings County |
|  | Certificate: Filed in New York County Commission Expires March 30, 192                     |
|  | Levora D. Elgy   |
|  | (Bignature of notary or other officer)   |
|  |  |
| My commission expires March 301  | <u>7, 19 79</u>  |
| -  |  |

8 The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause shown upon written application to the Assistant Attorney General, Internal Security Division, Department of Justice, Washington. D.C. 20530.

GPO 864-207

The ideal situation, according to Harberger, would be an investor's arrival with the "machinery on his back" so to speak. This would ensure that the form of financing, here foreign investment, be transformed into increases in imported products — in this case, the machinery brought directly by the investor.

## Speech by Mr. Sergio Undurraga at the New York Association of Business Economists

"Trade, Aid, Financing and External Debt . . . Prospects for the Developing Countries" was the subject of the annual seminar of the New York Association of Business Economists in New York City on June 9, 1977. Among the speakers were Messrs. Fred Bergsten, Assistant Secretary for International Affairs of the U. S. Department of the Treasury; Paul A. Volcker, President of the Federal Reserve Bank of New York, and Sergio Undurraga, President of CORFO's New York Office. We reproduce below Mr. Undurraga's speech as delivered by Isidoro Palma, his representative, since the former had to fly to Chile unexpectedly at that time.

I would like to present a brief commentary concerning the problems of foreign debt and balance of payments for the case of the so-called 'non-oil, less-developed countries' from the point of view of Chile, which is one of them.

In many ways, the financial problems of Chile typify those of the developing countries. Debt payments are particularly important as they represent a significant limiting factor in the country's development as well as its international liquidity.

In another sense, however, one must recognize that the case of Chile may not be entirely typical due to the great changes which have taken place in its institutions and policies in the last decade.

Our main thesis can be summed up as follows: "Non-oil, less-developed countries" can avoid the incurring of excessive foreign debt during periods of Trade Balance crises if these countries are willing to adopt realistic domestic policies consistent with their external situation. Realizing the need to borrow abroad in order to maintain adequate investment rates, such policies if implemented would probably result in a lower rate of internal growth or even a recession. Nevertheless, this "trade-off" between international liquidity and internal growth need not be permanent. Such is the case with Chile. The road each country chooses will depend ultimately upon the levels of foreign debt preceding the international crisis, the magnitude of the "liquidity crunch", as

well as the domestic costs implicit in a deflationary policy.

## Chile's Situation at Year's End 1973

The Chilean economic situation can be outlined as follows:

- By the end of 1973 the country's annual inflation rate was approaching a figure of almost 1,000% due basically to the overextension and inefficiency of the public sector. In 1973, fiscal spending amounted to 43% of the GNP. The deficit, representing over 55% of fiscal monies spent, was financed to a great extent by the Central Bank.
- Externally, the country had experienced three consecutive years of deficit both in the Current Accounts and the Balance of Payments. As a consequence, by mid-1973 the lever of reserves of the Central Bank had fallen to virtually zero.
- The level of foreign debt had grown in real terms to a rate greater than 7% per year, representing a figure of about US\$ 4 billion (about 45% of the GNP). In today's dollar, that figure exceeds US\$ 5 billion.
- The nature of this debt was very unfavorable due to successive renegotiations made in 1970, 1971 and 1972 which transferred a good amount of the payments and interest dues to the period 1975-1980
- Chile had lost the confidence of financial creditors in world markets.

## How Could Such a Situation Possibly Come About? The reasons were numerous, but among them stand

The reasons were numerous, but among them stand out:
a) The Central Rank's use of international reserves.

- a) The Central Bank's use of international reserves (about US\$ 400m as of September 1970) to finance a massive transfer of private industries to the public sector as well as to permit salary increases considerably beyond the productivity growth and internal inflation rates.
- b) The adoption of a virtually fixed exchange rate system. This means that in real terms the exchange rate in August 1973 was only 1/5 of the rate 2½ years earlier.
- c) A disastrous agricultural policy which resulted in a tremendous increase in imports. In 1973, the country imported US\$ 600m worth of toodstuffs, the equivalent of more than 50% of Chile's "copper revenues" of that year hose US\$ 600m correspond to about US\$ 800m in 1976 dollars.

# CORPOR LON DE FOMENTO DE LA PRODUCCION NEW YORK OFFICE

EXHIBIT 14 (a)

Statement of Sources and Application of Funds

April 1977 to September 1977

(in thousands of U.S. Dollars)

|   |   | \$ 33,517    |   | 25,025     |   | 19,729      |   | 47,782      |
|---|---|--------------|---|------------|---|-------------|---|-------------|
| N S<br>C.I.F. Value<br>of Purchase Orders | \$ 865<br>26,259<br>58  | 27,182       | 1,128<br>21,146<br>30   | 22,304     | 1,122<br>8,665<br>20  | 9,807       | 376<br>32,410<br>70   | 32,856      |
| P L I C A T I O New York Office Expenses  | \$ 1113   | 113          | 244<br>-0-<br>-0-   | 54t        | 186<br>-0-<br>-0-   | 186         | 186   | 186         |
| A P F<br>Payment of<br>Foreign Debt       | \$ 6,222 -0-  | 6,222        | 2,477<br>-0-<br>-0-   | 2,477      | 9,736<br>-0-<br>-0-   | 9,736       | 14,740<br>-0-<br>-0-  | 14,740      |
| SOURCES                                   | OORFO-Santiago<br>Subsidiaries & Other Chilean Public Entities<br>International Development Banks |              | OORFO-Santiago<br>Subsidiaries & Other Chilean Public Entities<br>International Development Banks |            | CORFO-Santiago<br>Subsidiaries & Other Chilean Public Entities<br>International Development Banks |             | CORFO-Santiago<br>Subsidiaries & Other Chilean Public Entities<br>International Development Banks |             |
| HLNOM                                     | APRIL   | APRIL TOTALS | MAX   | MAY TOTALS | JUNE  | JUNE TOTALS | NITE.   | JULY TOTALS |

| APPL    | Payment of<br>Foreign Debt | 1,280<br>-0-<br>-0-   | 1,280         | 4,539<br>-0-<br>-0-<br>5,000   |
|---------|----------------------------|---|---------------|--|
| SOURCES |                            | OORFO-Santiago<br>Subsidiaries & Other Chilean Public Entities<br>International Development Banks | <b>10</b>     | OORFO-Santiago<br>Subsidiaries & Other Chilean Public Entities<br>International Development Banks<br>U.S. Commercial Banks |
| HINOM   |                            | AUGUST  | AUGUST TOTALS | SEPTEMBER  |

TOTAL APRIL 1977 TO SEPTEMBER 1977

SEPTEMBER TOTALS

|              |                                    |                       | 51,206 |                               | 29,584 | \$ 206,843         |  |
|--------------|------------------------------------|-----------------------|--------|-------------------------------|--------|--------------------|--|
| s<br>S       | C.I.F. Value<br>of Purchase Orders | 1,919<br>47,796<br>72 | 49,787 | 1,436<br>18,334<br>133<br>-0- | 19,903 | \$ 161,839         |  |
| APPLICATIONS | New York<br>Office Expenses        | 139<br>-0-<br>-0-     | 139    | 142<br>-0-<br>-0-             | 142    | \$ 1,010           |  |
| АРР          | Payment of<br>Foreign Debt         | 1,280<br>-0-          | 1,280  | μ,539<br>-0-<br>-0-<br>5,000  | 9,539  | ክ66 <b>'</b> εክ \$ |  |

Re: EXHIBIT 14 (a)

This schedule shows the relationship between the disbursements made by Corfo-New York and the funds received, grouped into three major The nomenclature has been changed from that of previous reports but remains the same in substance. The sources of funds are: payment categories.

1) WRFO-Santiago: received from our Main Office representing funds generated by our Corporation in Chile.

2) Subsidiaries and other Public Entities: received through the Chilean commercial banks by order of various Affiliates, Subsidiaries, Ministries and other Public Entities for which this office acts as purchasing agent and represents funds generated by those entities.

3) International Development Banks: received from International Bank for Reconstruction and Development, Interamerican Development Bank, Agency for International Development, Export Import Bank of the United States and represents the proceeds of loans granted to Corfo and Affiliates.

4) U.S. Commercial Banks: represents financing obtained from various U.S. Banks.

The payment categories, or application of funds, were:

1) Repayment of Foreign Debt: representing payments made to creditors.

2) New York Office expenses: represents payments made to cover administrative cost of maintaining the New York Office of Corfo and Affiliates and their supporting staff.

3) C.I.F. Value of Purchases: covers full value of Purchase Orders payments processed during the period.

| TOTAL        | \$ 654,197.54                              | 6,888.11  |
|--------------|--|---|
| AMOUNT       |  | 23.00<br>114.00<br>76.00<br>76.00<br>1,503.00<br>38.00<br>710.00<br>38.00<br>76.00<br>114.00<br>166.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00<br>76.00   |
| PURPOSE      | Salaries & other office overhead expenses. | Fares & Freight   |
| TO WHOM PAID | ,  | World Trade Travel Agency Inc. American Airlines Jorge F. Claro Isidoro Palma Chilean International Airlines American Airlines Eduardo Schijman American Airlines American Airlines Eduardo Schijman American Airlines Jorge F. Claro American Airlines Jorge F. Claro American Airlines Luis A Camus Jorge F. Claro American Airlines Luis A Camus Jorge F. Claro American Airlines Eduardo Schijman American Airlines Eduardo Schijman American Airlines |
| DATE         | Apr. 1/77 to Sep. 30/77                    | Apr. 7/77 Apr. 11/77 Apr. 12/77 Apr. 12/77 Apr. 21/77 Apr. 26/77 May 10/77 May 17/77 May 17/77 May 17/77 Jun. 13/77 Jun. 23/77 Jul. 5/77 Jul. 22/77 Sep. 6/77 Sep. 8/77 Sep. 15/77 Sep. 15/77  |

| TOTAL        | \$ 661,085.65 |                  |                   |                  |                |                  |               |   |                  |                  |                  |                  |               |                  |                  |               |                |                  |                  |                  |                  |               |                  |               |                |                  |               |                |               |                  |                  |                  |                | 3,129.57         | \$ 664,215.22 |
|--------------|---------------|------------------|-------------------|------------------|----------------|------------------|---------------|---|------------------|------------------|------------------|------------------|---------------|------------------|------------------|---------------|----------------|------------------|------------------|------------------|------------------|---------------|------------------|---------------|----------------|------------------|---------------|----------------|---------------|------------------|------------------|------------------|----------------|------------------|---------------|
| AMOUNT       | Forwarded     | 00*69            | 101.00            | 95.80            | 10.00          | 40.00            | 27.00         | 420.00                                  | 00.09            | 15.60            | 37.36            | 200.00           | 19.00         | 64.10            | 20.00            | 29.00         | 43.00          | 00.09            | . 50.00          | 41.60            | 30.00            | 20.00         | 392.00           | 38.00         | 32.00          | 215.11           | 10.00         | 24.00          | 32.00         | 30.00            | 500.00           | 40.00            | 38.00          | 26.00            | Sub-total     |
| PURPOSE      |               | Travel Expenses  | -                 | =                | ## P           | D=               | 11            | ======================================= | =                | =                | =                | •                | •             | <b>1</b>         | =                |               | =              | =                | 22               |                  | **               |               | ••               | =             | ***            | -                | =             |                |               | =                | ==               | <b>2</b> :       | =              | # T              |               |
| TO WHOM PAID |               | Eduardo Schijman | Cecilia Valentino | Eduardo Schijman | Jorge F. Claro | Sergio Undurraga | Isidoro Palma | Sergio Undurraga                        | Sergio Undurraga | Eduardo Schijman | Sergio Undurraga | Sergio Undurraga | Isidoro Palma | Eduardo Schijman | Sergio Undurraga | Isidoro Palma | Jorge F. Claro | Sergio Undurraga | Sergio Undurraga | Eduardo Schijman | Sergio Undurraga | Isidoro Palma | American Express | Isidoro Palma | Jorge F. Claro | American Express | Lufs A. Camus | Jorge F. Claro | Isidoro Palma | Sergio Undurraga | Sergio Undurraga | Sergio Undurraga | Jorge F. Claro | Eduardo Schijman |               |
| DATE         |               | Apr. 1/77        | Apr. 1/77         | _                |                |                  |               | 14,                                     |                  |                  |                  |                  |               | -                |                  |               | Jul. 5/77      | Jul. 7/77        | ~                | Jul. 22/77       | Jul. 25/77       | Jul. 25/77    | Jul. 25/77       | Aug. 1/77     | Aug. 4/77      | _                |               |                |               |                  |                  |                  | Sep. 6/77      |                  | i             |

| TOTAL        | \$ 664,215.22   | 24,921.37 | 2,505.94<br>691,642.53  |
|--------------|---|-----------|---|
| AMOUNT       | Forwarded<br>94.50<br>880.00<br>2,134.40<br>2,165.61<br>760.00<br>1,848.96<br>550.00<br>8,085.83  | 3,801.37  | 11.00<br>4.30<br>25.00<br>20.00<br>97.20<br>447.62<br>90.00<br>30.35<br>20.00<br>898.42<br>48.00<br>56.00<br>48.60<br>53.99<br>470.75<br>101.34<br>23.37<br>25.00<br>Sub-total  |
| PURPOSE      | Printing  | 2         | Public Relations  Lons " " " " " " " " " " " " " " " " " " "  |
| TO WHOM PAID | International Word Data Inc. Fine Graphics Inc. | Graphics  | Eduardo Schijman Eduardo Schijman Center for Inter-American Relations Eduardo Schijman The Club at the W.T.C. The Club at the W.T.C. Inhilco Inc. Joaquin Prieto Overseas Press Club of America Inhilco Inc. Joaquin Prieto Eduardo Schijman Eduardo Schijman Eduardo Schijman Eduardo Schijman The Club at the W.T.C. American Express The Club at the W.T.C. American Express The Pan American Society of the US The Pan American Society of the US Council of the Americas |
| DATE         | Apr. 11/77 Apr. 14/77 Apr. 19/77 May 12/77 Jun. 6/77 Jul. 5/77 Aug. 1/77  | Sep. 6/77 | Apr. 7/77 Apr. 12/77 Apr. 12/77 Apr. 26/77 Apr. 26/77 Apr. 26/77 May 2/77 May 13/77 May 13/77 May 13/77 May 13/77 May 23/77 May 23/77 May 23/77 May 23/77 May 23/77   |

| TOTAL        | \$ 691,642.53          |                        |                |                        |                        |                        |                  |                 |                 |                  |              |                          |                |                        |                  |                |                              |                        |                | ,                |                        |                                    |                 |              |              |                |                  |                        |                  | 3,820.84         | \$ 695,463.37 |
|--------------|------------------------|------------------------|----------------|------------------------|------------------------|------------------------|------------------|-----------------|-----------------|------------------|--------------|--------------------------|----------------|------------------------|------------------|----------------|------------------------------|------------------------|----------------|------------------|------------------------|------------------------------------|-----------------|--------------|--------------|----------------|------------------|------------------------|------------------|------------------|---------------|
| AMOUNT       | Forwarded 934.49       | 57.46                  | 39.90          | 354.58                 | 36.45                  | 41.40                  | 138.46           | 9.40            | 22.90           | 17.50            | 97.20        | 61.33                    | 30.40          | 280.22                 | 14.75            | 34.10          | . 21.00                      | 279.32                 | 99.20          | 51.90            | 97.79                  | 25.00                              | 23.75           | 6.00         | 9.58         | 39,33          | 186.67           | 54.55                  | 200.00           | 40.77            | Sub-total     |
| PURPOSE      | Public Relations       |                        | =              | :                      | =                      |                        |                  | E .             |                 |                  |              |                          | 2              |                        |                  |                | 20                           | 20                     | **             |                  | **                     | 5 T Z C                            | 20              | =            | =            | =              | •                |                        | :                | =                |               |
| TO WHOM PAID | The Club at the W.T.C. | The Club at the W.T.C. | Joaquín Prieto | The Club at the W.T.C. | The Club at the W.T.C. | The Club at the W.T.C. | American Express | Enrique Barraza | Ricardo Corssen | Eduardo Schijman | Inhilco Inc. | George M. Kramer Flowers | Joaquin Prieto | The Club at the W.T.C. | Eduardo Schijman | Joaquín Prieto | Gift & Card for Mr. Aragundi | The Club at the W.T.C. | Joaquín Prieto | Eduardo Schijman | The Club at the W.T.C. | The Pan American Society of the US | Ricardo Corssen | Sylvia Horst | Sylvia Horst | Joaquín Prieto | American Express | The Club at the W.T.C. | Sergio Undurraga | Eduardo Schijman |               |
| DATE         | Jun. 1/77<br>Jun. 1/77 |                        | Jun. 13/77     | Jun. 14/77             | Jun. 14/77             | Jun. 15/77             | Jun. 16/77       | ٦̈              |                 | Jul. 1/77        | Jul. 7/77    | Jul. 12/77               | Jul. 22/77     | Jul. 25/77             | Aug. 1/77        | Aug. 1/77      |                              | Aug. 9/77              | Aug. 15/77     | Aug. 16/77       | Aug. 18/77             |                                    | Sep. 14/77      | Sep. 14/77   | Sep. 14/77   |                | Sep. 20/77       |                        | Sep. 23/77       | Sep. 28/77       |               |

| TOTAL        | \$ 695,463.37  | 22,131.95         | \$ 717,595.32 |
|--------------|--|-------------------|---------------|
| AMOUNT       | Forwarded<br>3,597.80<br>3,889.27<br>3,500.00<br>3,917.23                        | 3,651.86          | Total         |
| PURPOSE      | Secretarial Serv. & Others " " " " " " " "                                       | =                 |               |
| TO WHOM PAID | Embajada de Chile<br>Embajada de Chile<br>Embajada de Chile<br>Embajada de Chile | Embajada de Chile | ٠             |
| DATE         | Apr. 1/77<br>May 2/77<br>Jun. 1/77<br>Jul. 1/77<br>Aug. 1/77                     |                   |               |

SUPPLEMENTAL STATEMENT - PLEASE EXECUTE IN DUPLICATE

SHORT-FORM REGISTE ATTO I

## SECTION A

The Department records list active short form registration statements for the following persons of your organization filed on the date indicated by each name. Please show below whether each person is still functioning in the same capacity directly on behalf of the foreign principal. If not, show date of termination.

Corporacion de Fomento de la Produccion Reg. No. 401

| •                     |   | ACTIV      | Æ?· | IF YE<br>ANY M<br>CHANG | IF<br>DATENT |     |               |
|-----------------------|---|------------|-----|-------------------------|--------------|-----|---------------|
|                       |   | Yes?       | No? | Yes?                    |              | E N | <u>۔</u><br>ا |
| Edgar Mahn            | Filed 2/17/71<br>Director               |            | х   | *                       |              |     |               |
| Mariane A. Pastor     | Filed 2/19/74<br>President              |            | х   |                         |              |     |               |
| Ricardo Corssen       | Filed 9/26/74<br>Vice President         | X          |     |                         | х            | :   |               |
| Sergio Undurraga      | Filed 3-29-75<br>President              | Х          |     |                         | х            |     | <u> </u>      |
| Joaquin Prieto        | Filed 4-23-76<br>Vice President         | х          |     |                         | х            | :   | -             |
| Isidoro Luis A. Palma | Filed 4-27-77<br>Asst. to the President | . <b>X</b> |     |                         | х            |     | -             |
| Jorge Fernando Claro  | Filed 6-15-77<br>Economic Counselor to  | Х          |     | ·                       | Х            |     |               |
|                       | the Chilean Embassy                     |            |     |                         |              |     | -             |
|                       | •                                       | ·          |     |                         |              |     | •             |
|                       |   | •          |     |                         |              |     |               |

## SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principal(s) who have not as yet filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity. If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to us describing the activities and connection with the foreign principal.)

| Name | Function | Date Hired |
|------|----------|------------|
|      |          |            |
|      |          |            |
| ·    |          |            |
|      |          | -          |
|      | ·        |            |
|      |          |            |
|      | -7       | <u> </u>   |

Signature:

Ricardo Corssen

Date November 10th 1977

Title:\_\_\_

Vice President

## UNITED STATES DEPARTMENT OF JUSTICE REGISTRATION UNIT CRIMINAL DIVISION WASHINGTON, D. C. 20530

## NOTICE

Title

| Please answer the following questions sheet in triplicate with your supplemental | and return statement: | this |
|--|-----------------------|------|
| 1. Is your answer to Itom 16 of continue   | /n                    | _    |

| sheet in triplicate with your supplemental statement   | :                 |
|--|-------------------|
| 1. Is your answer to Item 16 of Section V (Political ganda - page 7 of Form OBD-64 - Supplemental Statement):  | L Propa-<br>:ate- |
| Yes or No  |                   |
| (If your answer to question 1 is "yes" do not answer 2 of this form.)  | question          |
| 2. Do you disseminate any material in connection wit registration:   | h your            |
| Yes or No  |                   |
| (If your answer to question 2 is "yes" please forward our review copies of all such material including: film catalogs, posters, brochures, press releases, which you have disseminated during the past six mon | films,            |
| November 10th, 1977 Date   |                   |
| Ricardo Corssen  Please type or print name of signatory on the line above  |                   |
| · Vice President   |                   |